



Coast Guard HR Flag Voice 152

Servicemembers' Group Life Insurance Family Coverage

The Veterans' Survival Benefits Improvement Act of 2001 (PL 107-14) extends life insurance coverage to spouses and children of members insured under the Servicemembers' Group Life Insurance (SGLI) program, *effective November 1, 2001*.

Who Is Eligible for Family Coverage?

Family coverage will be available for the spouses and children of Active duty servicemembers *and* members of the Ready Reserve of a uniformed service.

Family coverage is available only in the SGLI program, not in the Veterans' Group Insurance (VGLI) program.

How Much Coverage Is Available?

The maximum amount of coverage available for spouses is \$100,000, or the amount of the servicemember's SGLI, whichever is less. A member may elect to insure his or her spouse for amounts less than \$100,000, in increments of \$10,000.

All children will be covered for \$10,000.

What Is the Cost of Coverage for Spouses and Children?

Competitive premium rates for spouses is in process of being set. The premiums will be set based on the age of the spouse and will be posted on VA Insurance's website as soon as they have been approved by the Secretary.

Coverage for children is free.

Will Spouses and Children Automatically Be Insured?

Yes, coverage for spouses and children is automatic. If servicemembers do not want insurance coverage for their spouse, they may elect in writing not to insure them or to insure their spouse for an amount less than \$100,000. The amount chosen must be in \$10,000 increments.

As coverage for children is free, servicemembers cannot decline or reduce coverage for any eligible child.

How Will Premiums for Family Coverage Be Collected?

The premiums for spousal coverage will automatically be deducted from the servicemember's pay until they separate from service. Coverage continues, at no cost to the servicemember, for 120 days following separation from service.

When Does Coverage for Spouses and Children Begin?

Coverage for spouses of currently married servicemembers will begin on November 1, 2001, when the law goes into effect. Otherwise, coverage for spouses begins on the date of marriage to the servicemember.

Coverage for existing children of servicemembers will begin on November 1, 2001, when the law goes into effect. Otherwise, coverage for natural children begins on the date of birth of the child. Coverage for those who are not natural children of the servicemember begins on the date when the child becomes a dependent of the member.

When Does Coverage for Spouses and Children End?

Coverage for spouses ends 120 days after the following events:

- 1) The date a servicemember elects in writing to terminate the spousal coverage
- 2) The date a servicemember elects in writing to terminate his or her own coverage
- 3) The date of a servicemembers' death
- 4) The date a servicemembers' coverage terminates
- 5) The date of divorce from a servicemember

However, spouses can convert their coverage during the 120-day period to a policy with a commercial company. See the information under the following question.

Coverage for children ends 120 days after any of the following events:

- 1) The date a servicemember terminates his or her own coverage
- 2) The date a servicemember separates from service
- 3) The date a servicemember dies
- 4) The date the children are no longer a servicemember's dependents

Can A Spouse Convert His or Her Insurance Coverage?

Yes. A spouse may elect to convert his or her coverage to a commercial policy with a participating company within 120 days following one of the events listed above. The Office of Servicemembers' Group of Life Insurance (OSGLI) will provide servicemembers with a list of the participating companies upon request.

Can A Spouse Convert His or Her Coverage to VGLI?

No, VGLI coverage is not available for spouses or children.

Who Receives the Insurance Proceeds Upon the Death of a Spouse or Child?

The servicemember receives the proceeds due to the death of his or her spouse or child. If two servicemembers are married, the proceeds paid from the death of a child are paid to the member who was eligible SGLI coverage the longest. If a servicemember is separated or divorced from another servicemember, insurance proceeds from the death of a child will be paid to the member who has custody of the child.

If you have any questions, you can get more information by doing any of the following:

Go to the VA Insurance Website at www.insurance.va.gov.

Call or e-mail the Office of Servicemembers' Group Life Insurance at 1-800-419-1473 or osgli.osgli@prudential.com.

Regards, FL Ames



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